THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.2352 of 1998

Dated: 06.07.2006

Between

Srinivasa Tribal Labour Contract Co-op.
Society Ltd., Pogulapalli, Kothaguda,
Warangal District, represented by its
President-B. Sarangam and another

…..Petitioners

and

The Government of A.P.
represented by its Secretary,
Irrigation and CAD Department,
Secretariat,Hyderabad and others

….Respondents

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ORDER:

This writ petition is filed seeking a Mandamus declaring the action of the respondents in insisting upon the petitioners for production of solvency certificates up to 5 crores for registration of their respective societies as Class-I and II Category, as illegal and arbitrary.

It is the case of the petitioners that their societies were formed with the members of Tribals as well as scheduled caste persons. Accordingly, they have registered their societies with Registration Nos.447 and 884 TT respectively for undertaking the works in Government in various departments including the respondents' department and they were given an exemption of producing solvency certificate for the registration of their societies and the petitioners were permitted to participate in the tenders. Accordingly, the respondents have registered their societies as Labour Contract Cooperative societies under Class-III category and the monetary limit was fixed at 5 to 10 lakh rupees work. Recently, the Government of Andhra Pradesh issued instructions enhancing the monetary limit from 5 to 10 lakhs to 10 to 40 lakhs in respect of Class-III category. The maximum limit of work cost is 30 lakhs for Class-II, as per the earlier G.O. By virtue of the enhancement of monetary limits, if a person is able to produce the solvency certificate for the registration of Class-I and II Category,

he has to produce the solvency certificate upto 5 crores. The petitioners who are Labour Contract Cooperative Societies are totally exempted from production of solvency certificates and as Class-III Contractors, they are entitled to undertake works upto 40 lakhs. However, the respondents are insisting the petitioners for production of solvency certificates treating their Societies as Class-I and II contractors.

The respondents have filed a detailed counter stating that the petitioners viz., SC/ST Labour Contract Societies are not entitled for registration as Class-II and Class-I Contractors. The consession given in G.O.Ms.No.398 I & CAD Dept., dated 5.9.1990 and G.O.Ms.No.275 I & CAD Dept., dated 26.9.1994 are applicable only for registering them as Class-III Contractors. The claim of the petitioners is contrary to the orders contained in the above G.O.s. Hence, the claim of the petitioners deserves no consideration and the writ petition is devoid of merits and is liable to be dismissed.

The only grievance of the petitioners is that after enhancement of the limits of the contract from 5 to 10 lakhs to 10 lakhs to 40 lakhs, the petitioners are being insisted upon to submit solvency certificates. But, such an insistence cannot be automatic so long as Class-3 contractors are entitled to do work upto 40 lakhs.

In view of the above, without expressing any opinion on merits, the respondents are directed to consider the representation of the petitioners treating them as Class-III contractors and if the Class-III contractors are entitled for the works to be undertaken upto 40 lakhs, the respondents shall also consider exempting them from submitting solvency certificates upto 50 lakhs. The

respondents shall take all the GOs issued periodically in this regard, into consideration and pass appropriate orders as per law.

The writ petition is accordingly disposed of.

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06.07.2006

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